

No protest received
11-6-85

26 SEP 1985

Dear Taxpayer:

This is in reference to your application for tax exempt status under section 501(c)(4) of the Internal Revenue Code.

The information submitted by you shows that you were incorporated under the laws of the State of [REDACTED] for the purpose of providing a homeowner's association for the management, administration, maintenance preservation and architectural control of a commercial condominium project comprising various medical offices.

Membership is limited to condominium owners of [REDACTED], a commercial condominium complex.

Your sources of income will be monthly assessments from members based on the monthly expenses. Assessments are made on a prorata basis for each member.

Your activities will consist exclusively of managing and maintaining a commercial condominium project. Your services will include supervision and maintenance of the building, parking areas, outside signs, lighting, and landscaping.

Section 501(c)(4) of the Code provides for the exemption from federal income tax of organizations not organized for profit but operated exclusively for the promotion of social welfare.

Section 1.501(c)(4)-1(a)(2)(i) of the Income Tax Regulations provides that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community. An organization embraced within this section is one which is operated primarily for the purpose of bringing about civic betterments and social improvements. An organization is not operated exclusively for the promotion of social welfare if it primarily serves a private rather than a public interest.

Revenue Ruling 74-17, 1974-1 C.B. 130 provides that an organization formed by the unit owners of a condominium housing project to provide for the management, maintenance and care of the common areas of the project, with membership assessments paid by the unit owners does not qualify for exemption under section 501(c)(4) of the Code.

[REDACTED]

You are similar to the organization described in Rev. Rul. 74-17, in that you provide for the management and maintenance of a condominium.

By managing and maintaining a commercial condominium project comprising of various medical offices you are not promoting social welfare within the meaning of section 1.501(c)(4)-1(a)(2)(i) of the regulations. Your activities primarily serve the private interest of members.

Based on the above and the facts in the file we rule that you are not operated exclusively for the promotion of social welfare and are not described in section 501(c)(4) of the Code.

You are required to file federal income tax returns on Form 1120 for each year that you have been in existence.

You have the right to protest this ruling if you believe it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement, signed by one of your officers, must be submitted in duplicate within 30 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practice Requirements. Please use the symbols OP:E:EO:R:5, Room 6127, in addressing your reply.

If we do not hear from you within 30 days, this ruling will become final, and copies of it will be forwarded to the District Director, Los Angeles, California. Thereafter, any questions about your federal income tax status or the filing of tax returns should be addressed to that office.

Sincerely yours,

(Signed) [REDACTED]

[REDACTED]
Chief, Exempt Organizations
Rulings Branch

cc: [REDACTED]
[REDACTED]

	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
[REDACTED]	[REDACTED]				
[REDACTED]	[REDACTED]				

2-20-85

7-24-85